



Insider Trading Policy

Royal Automobile Club of Victoria (RACV) Ltd
ABN 44 004 060 833

Approved by Board: 23 February 2016

INSIDER TRADING POLICY

1. PURPOSE

- 1.1 The purpose of this policy is to describe the responsibilities of those who may be a Recipient of Inside Information about trading in securities of public trading companies.
- 1.2 Recipients not only need to comply with this policy but also with applicable laws, particularly Insider Trading laws.

2. SCOPE

- 2.1 This policy applies to all Recipients at RACV who are exposed to Inside Information.

3. TRADING IN SECURITIES

- 3.1 A person who possesses Inside Information about any entity's Securities (as defined) is prohibited from trading in those Securities under Insider Trading laws and this applies even where the trade occurs within a permitted Trading Window.
- 3.2 Recipients may only trade in Securities of public trading companies during a Trading Window.
- 3.3 In the case of IAG Securities, Recipients may only trade during the IAG Trading Windows.

IAG Trading Windows:

Each window is a four week period commencing on the date which is two ASX Trading Days after the following events:

- The half year results announcement;
 - The final results announcement;
 - The annual general meeting and;
 - The IAG Board at its discretion may designate additional Share Trading Windows (e.g. following the issue by IAG or an IAG subsidiary of a prospectus or in a period of enhanced disclosure).
- 3.4 Each Recipient remains responsible for: observing the Trading Windows; not disclosing any Inside Information to a Close Associate or any other person; and compliance with applicable laws and this policy.
 - 3.5 Exemptions to this policy
 - 3.6 This policy does not apply to indirect trading as part of a portfolio managed by a third party while the Recipient is not in a position to influence the portfolio investments.

4. ROLES AND RESPONSIBILITIES

- 4.1 **Board:** Has the responsibility for approving this policy;
- 4.2 **President/Chairman:** May consent to trading outside of a Trading Window due to Exceptional Circumstances.
- 4.3 **Company Secretary:** Has the responsibility to:
- a) Maintain appropriate records to give effect to this policy;
 - b) Maintain a system for recording and reporting of a Recipient's trading outside of the Trading Windows and of IAG's Trading Windows; and
 - c) Oversee the compliance with the Insider Trading Policy.

5. BREACHES OF THE LAW AND POLICY / PENALTIES

- 5.1 Disciplinary action may result from breaching this policy.
- 5.2 Insider Trading is a criminal offence and may result in severe Penalties under the Insider Trading laws and the Corporations Act.
- 5.3 Liability for Insider Trading is strict and so is the requirement to comply with this policy. In considering the consequences of breaching this policy, the purpose or motive for the dealing is irrelevant. It is also irrelevant whether anyone benefitted from the dealing or that their transaction had no connection with the Inside Information (eg. If the transaction had been planned for the same time prior to acquiring Inside Information).
- 5.4 Any breach of this policy must promptly be notified to the Company Secretary.

6. RELATED POLICIES AND DOCUMENTS

- RACV Code of Conduct
- Employment Contracts

7. DEFINITIONS

See **Appendix A**

APPENDIX A

DEFINITIONS

Close Associate in relation to a Recipient means:

- i) a family member of that Recipient who may be expected to influence, or be influenced by that Recipient in his or her dealings with a publicly trading company (this may include a Recipient's spouse, de facto partner and children who live at home, the children of the spouse or de facto partner who live at home, or dependants of that spouse or de facto partner, or any other family members of the Recipient); and
- ii) a company, trust or other entity which is controlled by that Recipient (whether alone or jointly with any other Close Associate).

Exceptional Circumstances include:

- Severe financial hardship;
- Compulsion by court order or court enforceable undertaking (for example, a bona fide family settlement); or
- Some other overriding legal or regulatory requirement to transfer or accept transfer of Securities.

IAG Securities means: Insurance Australia Group Limited Securities that are listed on the ASX, any options issued by IAG or any of its subsidiary entities and any options, rights debentures, derivatives or other financial products related to IAG which are covered by the insider trading provisions of the Corporations Act.

Inside Information means: Information that is not generally available and, if it were, that a reasonable person would expect to have a material effect on the price or value of Securities. That is, the information would or would be likely to influence persons who commonly acquire financial products in deciding whether to trade in Securities.

Examples of Inside Information in respect of Securities include:

- Consideration by a trading company of a major acquisition or disposal of an asset/s;
- Material changes in the trading company's actual or forecast financial condition or business performance.
- A change in executive management or to the composition of the Board;
- A proposed dividend or change in the trading company's dividend policy; and
- A proposed share issue, return of capital or other significant capital transaction.

Insider Trading means:

Insider Trading occurs when a Recipient who possesses Inside Information:

- Trades in Securities; or
- Procures someone else to trade in Securities; and

- Trades outside the Trading Windows without an Exceptional Circumstance existing.

Penalties means: an individual may be liable to penalties of up to a maximum of ten years imprisonment and/or a fine of up to \$495,000 or three times the value of the benefits obtained. Corporations may be the subject to the greater of a fine of \$4.95 million or three times the benefit obtained, or 10% of the annual turnover if the benefit cannot be determined.

Recipient means:

- a) **Directors** - Executive and Non-Executive Directors of RACV Ltd and its subsidiary companies;
- b) **Senior Executives** -
 - i) Chief Executive Officer;
 - ii) Chief Financial Officer;
 - iii) Executive General Managers;
 - iv) Company Secretary and
 - v) All level 3 RACV Managers
- c) **Employees** – who are exposed to Inside Information
- d) **Contractors** – who are exposed to Inside Information

Securities means: Securities of a public trading company that trades with RACV and is listed on the ASX; any options issued by that company or any of its subsidiary entities and any options, rights debentures, derivatives or other financial products related to that company which are covered by the insider trading provisions of the Corporations Act.

Trading Windows are the periods during which Recipients may trade in securities of public trading companies which trade with RACV (as dictated by that particular public trading company's Insider Trading Policy).